

# HOUSE . . . . . No. 1466

By Mr. Walsh of Boston, petition of Martin J. Walsh and others relative to the funding of small business retirement plans. Community Development and Small Business.

## The Commonwealth of Massachusetts

### PETITION OF:

Martin J. Walsh	Brian P. Wallace
Robert K. Coughlin	John A. Hart, Jr.

In the Year Two Thousand and Five.

AN ACT MAKING APPROPRIATIONS FOR THE FISCAL YEAR 2003 PROMOTING  
THE AVAILABILITY OF SMALL BUSINESS RETIREMENT PLANS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1     SECTION 1. *Whereas*, High quality and affordable retirement  
2     plan savings vehicles are not equally available to employees of  
3     Massachusetts based companies who employ fewer than 100 indi-  
4     viduals when compared to the availability of such savings vehi-  
5     cles among larger companies, and

6     *Whereas*, The increased participation in retirement plan savings  
7     vehicles among Massachusetts' small business employees,  
8     totaling over 700,000, will serve to improve the competitiveness  
9     of Massachusetts small businesses in terms of overall employee  
10    compensation and benefits, and

11    *Whereas*, The increased participation in retirement plan savings  
12    vehicles among small business employees will serve to improve  
13    upon their respective financial situations in their retirement years,  
14    thereby reducing the burden placed upon the commonwealth.

1     SECTION 2. To provide for supplementing certain items in the  
2     general appropriation act and other appropriation acts for fiscal  
3     year 2003 and for certain other activities and projects in said

4 fiscal year, the sums set forth in sections are hereby appropriated  
5 from the general fund unless specifically designated otherwise and  
6 shall be for the several purposes and subject to the conditions  
7 specified therein and subject to the provisions of law regulating  
8 the disbursement of public funds, for the fiscal year ending June  
9 30, 2003.

1 SECTION 3. Oversight

2 For a state supplement of \$1,300,000 covering a period of two  
3 years, to mitigate the discrepancy in retirement plan benefits  
4 between Massachusetts companies with fewer than 100 employees  
5 and Massachusetts companies with more than 100 employees.

1 SECTION 4. (See above) would allocate the proceeds appropri-  
2 ated above to employ or contract a team of retirement plan experts  
3 to provide awareness of and assistance with, the availability and  
4 implementation of affordable 401(k) trustee, investment manage-  
5 ment and recordkeeping services to Massachusetts businesses with  
6 fewer than 100 employees. The purpose of this appropriation is to  
7 provide greater opportunity for small business owners in Massa-  
8 chusetts to offer retirement savings vehicles to their employees by  
9 reducing the cost and administrative burden normally associated  
10 with such vehicles.

1 SECTION 5. Appropriation as itemized below:

2 **YEAR 1 ADMINISTRATIVE, OPERATING COSTS**

3 Staffing & Operating Expenses:	
4 Employer Awareness & Assistance	\$500,000
5 Participant (Employee) Education &	
6 Communication:	\$150,000
7 Total	\$650,000

8 **YEAR 2 ADMINISTRATIVE, OPERATING COSTS**

9 Staffing & Operating Expenses:	
10 Employer Awareness & Assistance	\$500,000
11 Participant (Employee) Education &	
12 Communication:	\$150,000
13 Total	\$650,000

1     SECTION 6. The recipient of the appropriation would actively  
2 solicit Massachusetts' small business owners who do not currently  
3 offer competitive retirement savings vehicles to their employees  
4 and provide informational materials as well as administrative  
5 assistance in an effort to promote the usage of employer spon-  
6 sored retirement plans. The recipient would work within the pri-  
7 vate sector to establish relationships with full service retirement  
8 plan vendors who would be willing to service this segment of the  
9 market in a manner consistent with the level of service currently  
10 enjoyed by larger corporations and their employees. The recipient  
11 would employ a team of retirement plan specialists to educate and  
12 assist Massachusetts' small business owners and set a goal of pro-  
13 viding retirement plan services for 100 companies with 1,000 par-  
14 ticipants during the period covered by the appropriation. The  
15 budget for Employee Education and Communication would be  
16 used to support the employer with the overall employee awareness  
17 of the retirement plan and would be used only to the extent neces-  
18 sary (based on overall plan sponsor participation).